

TOWN COUNCIL /BUDGET MEETING
February 11, 2013

The Town Council meeting was held in the Moose Hill Council Chambers, Town Hall, 268B Mammoth Road, Londonderry, NH.

PRESENT: Chairman, John Farrell; Vice Chairman Tom Dolan; Councilors: Jim Butler; Joe Green; Tom Freda; Acting Town Manager, LPD Chief William R. Hart; Executive Assistant Margo Lapietro.

Call to Order

Chairman Farrell opened the meeting at 7:00PM with the Pledge of Allegiance by various Boy Scouts who are earning their "Citizenship in Community" badge who were in attendance. This was followed by a moment of silence for the first responders and those in service here and abroad.

Public Comment

Londonderry Housing & Redevelopment Authority (LHRA) Presentation on Pettengill Road Development Opportunities – Paul Donahue, 519 Mammoth Rd., Chairman of the LHRA reviewed the goals and objectives of the Committee. He explained that Pettengill Road has close to 1K acres of prime business development land. They did an analysis of the area and got Applied Economic Research to do a report for LHRA. Russ Thibeault, the President of Applied Economic Research in Laconia was in attendance. R. Thibeault analyzed the market conditions and financial feasibility of building a four lane roadway and sewer extensions at an estimated cost of \$12.5M in the area. He explained the area has sewer and water nearby. If developed it could provide for 10,000 to 15,000 jobs. There are a variety of funding options available. He calculated that we would break even in 5-8 years in a normal market environment if we have a major end user. As soon as we have a major end user committing to a 500,000 square foot area he predicted we would break even the first year. Once it breaks even it is tax positive in a year. He explained that there are no more tax generating investment properties located in Londonderry other than the Pettengill Road infrastructure. Councilor Dolan pointed out that a bond that would cost 30 cents per million would be a \$600-\$700 dollar reduction on a house. Chairman Farrell said he is looking for direction on how to get there. We've had a number of reports, where do we go from here. R. Thibeault relayed his experience with other settings most notably Centra Business Park and Pease. He stated that the infrastructures were built in advance and the businesses came. He said if you build it in advance, you will get your money back. He said he did the analysis, and said that maybe in 5 years we would see activity. He explained that this land is exceptional in its development. He commented that probably we did not get federal money because we didn't have "a bird in hand". Councilor Dolan talked about supporting 10K-15K jobs and asked what kind of jobs would be generated. R Thibeault responded that 10K would be industrial/warehouse 15K would be office/hotel, etc. Councilor Dolan asked what is the benefit to the state. R. Thibeault responded it was very significant at Pease. Councilor Freda said we need 60% of the voters; what is in it for them if they pay taxes for 4-5 years. Councilor Green said every time Pettengill comes up the taxpayers say there are a lot of empty buildings in

the airport area now. The approvals for the roads run out in June of 2014. Councilor Green asked how does building a road change everything. R. Thibeault said the land that will be opened up does not have anything comparable to it in NH. The existing buildings are relatively small which is why they are empty. Councilor Dolan said the economy is turning, the first time we could spend money based on our budget cycle would be 2014. We might miss this next upswing. How do we convince the citizens to take advantage of the rising tides? Russ Thibeault said that the timing in 2014 – 2015 is good, it will not get filled right away it is a long term investment. Open for the public. Kathy Wagner, 7 Fiddlers Ridge Rd. thanked Russ Thibeault and said she was glad that an outside consultant has confirmed that Pettengill is a great source. K. Wagner asked what was the responsibility of the developers. R. Thibeault said water is the responsibility of the builders; roads are the responsibility of developers. R. Thibeault said as soon as the road is built the assessed value will go up. K. Wagner asked R. Thibeault him what does he consider a “bird in hand”; he responded a structure of 250K sq. ft. K. Wagner asked if there was anybody in town that big. GIS Manager John Vogl said Harvey Industries was. Chairman Farrell reiterated that if we had a 500 sq. ft. bldg we could break even in 1 yr. K. Wagner spoke about grants, and said Londonderry has to come up with the money before the grant. She said if we do make a decision tonight, it wouldn’t take 2-3 year; it would take up to 6 months if the money is there. R. Thibeault commented that municipal bond rates are low now. Chairman Farrell explained with the budget hits this year; people are paying up to \$300 – \$400 uptick in taxes. Councilor Dolan said when we think long term of having jobs here for young people it is very disconcerting. Councilor Freda explained we would be looking at an 18 cent increase in the tax rate. A bond would add about 30 cents to the tax rate. Why should taxpayers vote for this if they don’t see it in 5-8 years? Chairman Farrell suggested that R. Thibeault get together with the LHRA and answer Councilor Freda’s question. We might need an answer for the voters. R. Thibeault said if he goes through his research he will look for it. Chairman Farrell suggested R. Thibeault talk to the Chair of the Planning Board and see if he can convince him. Councilor Green said if the taxpayer understand they are paying more per year when do the charges start. Councilor Dolan stated that we have been working at this for years, we are looking for help to get it going. Councilor Butler said you have to show the taxpayers what the owners are responsible for and what is Pettengill responsible. R. Thibeault said we will have a more focused approach after talking to the Planning Board Chair.

Community Development Department Proposal - Acting Town Manager/LPD Chief William Hart explained we have had a change in leadership in the department and they are trying to figure out how to do Planning & Economic Development more effectively. Town Planner Cynthia May thanked the Council and Chief Hart for his guidance in this process. She provided a slide presentation and explained every entity has worked together and said that nothing significant has dropped off the radar. They are managing the Master Plan and reviewed their goals. C. May explained they are looking at outsourcing contracted services. She reviewed the revised titles and responsibilities in the department. Acting Town Manager/LPD Chief Hart explained that they have budgeted money for the Planning & Development Director in this budget and will use that surplus to compensate people for their additional responsibilities with pay raises in 2014 and 2015. He proceeded to review the budget. He explained the growth needs to be handled by the contracted services. He explained the advantages of contracted services means that we can expand and contract as needed. The model of contracted services will give us a flat budget going forward. Chairman Farrell asked what is the accountability piece for contracted service. Acting Town Manager/LPD Chief Hart responded in the RFQ there will

be targets; the deliverables will be clearly defined as per to their contract. Councilor Green said slide 10 has a larger budget going from 4 people to 3. Acting Town Manager/LPD Chief Hart explained it is flat, the only difference is the savings achieved by not filling the position and using contracted services. Acting Town Manager/LPD Chief Hart explained they will figure out how this will expand, there will be no increases next year or the year after but they are taking the extra money and applying it to contracted services. Councilor Green asked what happens to money not used. Acting Town Manager/LPD Chief Hart responded they are trying to keep it in their budget. Councilor Green suggested putting target dates under department goals. Acting Town Manager/LPD Chief Hart responded internally they do have dates. Councilor Butler asked who will be the target business for the RFQ. Acting Town Manager/LPD Hart responded they will go to other like minded service providers. Councilor Butler said some communities have done this and asked what is their success rate and how long have they done it. C. May responded some mid- west communities have done it. Some communities have thrown out the entire department but have brought back some employees. Acting Town Manager/LPD Chief Hart said it is a fairly new concept; 3-5 yrs old. We want to have performance based pay and need assistance to find it. Open for the public. Consensus was to go ahead with the RFQ.

Anne Chiampa, 20 Wedgewood Drive asked for the status of her application for the Planning Board open position. Chairman Farrell asked the Town Manager to put her on the Agenda for the next meeting.

Public Hearing

None

Old Business

None

NEW BUSINESS

Assessor – Update on Town Exemptions – Town Assessor Karen Marchant said she was asked to provide information on the elderly/disabled exemptions. She provided a spread sheet comparing other towns with Londonderry. She explained the exemptions were last updated in 2010 with a 9% increase in elderly income and disable income. Social Security raised the elderly exemptions in 2012 by 3.6% and a 1.17% raise in 2013. She explained any action taken is budget neutral but taxes will go up. Councilor Freda asked how many people we have taking these exemptions and how many were denied. K. Marchant responded we have 200 and 2 were denied. Councilor Dolan explained we had testimony at our last meeting asking for an increase in the amount of the exemption. Chairman Farrell said we have 200 people and only 1 or 2 were denied are we at the right place. K. Marchant explained we urge them to make the application because some do qualify. The stock market plays a large role in the equation; we look at their assets and their incomes. She said we are not falling behind. Councilor Freda asked if you have to meet both tests for income and assets, K. Marchant responded yes. Councilor Dolan explained all exemptions are means tested except for veterans which is state. Councilor Dolan said he is abstaining from voting on the blind exemption, and made a proposal for the other exemptions to change the single, married and asset levels. He wants to see them increased by

5%. Open for discussion. Councilor Green said he is more comfortable with the elderly assets going up to \$250K and asked for a discussion only. Chairman Farrell took a poll for a discussion to increase the elderly assets to \$250K. No discussion. Councilor Green asked if he could change the number? Chairman Farrell said the relative point is they have to meet all 3 criteria. **Councilor Dolan made a motion to change the elderly single income exemption limit to \$39,600, second Councilor Butler. Vote 5-0-0. Councilor Dolan made a motion to change the elderly income married persons exemption to \$48,800, second by Councilor Butler. Councils vote 5-0-0. Councilor Green made a motion to increase the elderly asset limit to \$200K, no second. Councilor Green made a motion to increase the elderly asset limit to \$175K, no second. Councilor Dolan made a motion to increase the elderly asset limit by 10% which is double what we did for the income, totaling \$133,700, second Councilor Butler. Councils vote 5-0-0.** K. Marchant asked Council to look at the disabled exemption; it is the same as the elderly because when someone turns 65 they no longer receive a disabled exemption. They come in and apply for the elderly exemption which is the same amount off the tax bill, \$98,900. Chairman Farrell clarified if he would entertain a motion for the same limits for disabled single, disabled married and disabled asset limits as we currently have for elderly for \$39,600 for disabled single, \$48,800 for disabled married and for \$133,700 for disabled asset limit. **Councilor Dolan made a motion, second Councilor Green. Councils vote 5-0-0.** Councilor Freda asked about the Blind exemption. K. Marchant said it has been several years since they have changed that, it is that amount right off the assessment; there are no income requirements. They need a letter from the Education Department at the State of NH stating that they are blind and that information goes to the state from their eye doctors. **Councilor Freda made a motion to increase the blind exemption to \$50K, second Councilor Butler. Councils vote 4-0-0, Councilor Dolan stepped down.** K. Marchant pointed out that a Resolution has to be produced with a second hearing on all of the motions.

LFD – Ambulance Collection Process - Chief Kevin MacCaffrie, Acting Chief Darren O’Brien and Battalion Chief Fred Heinrich were in attendance. Acting Chief Darren O’Brien explained they have a slide show presentation for the ambulance billing process and the associated costs. D. O’Brien reviewed:

- Call Volume
- Staffing at 3 Stations
- Staffing Levels
- Ambulance Response Guideline
- 2012 Cost to Operate Ambulance-
- FY 2013 Ambulance Budget-Salaries
- 2012 Ambulance Staffing Costs
- FY 2013 Ambulance Budget – Training, General Expense
Supplies, Maintenance & Repairs Supplies, Vehicle
repairs Supplies
- EMS Training
- Management Services
- General Expenses Supplies
- Maintenance & Repairs Supplies
- Vehicle Repairs Supplies
- Insurance Providers 2012 Medicare Rates
- Ambulance Billing Schedule
- 2012 comparable Billing Rates – Based on Medicare

Londonderry Collection Rate
Londonderry Revenue Collected
2012 Comparable Collection Rates
Topics for Consideration

Councilor Dolan asked about a lease program for the vehicles. D. Cardwell said the fire trucks and ambulances are specialty vehicles. We are getting 9 years out of them. The current truck coming in is for a short term lease. Councilor Freda said since we are using reserve, what is the maintenance for repairs. D. Cardwell explained it is currently \$14K for brakes, windshields, tires, etc. F. Heinrich said they provide 320 hrs of EMS education yearly. The ambulance fee has not gone over \$35K. The total cost to operate the ambulance is \$322,328.52. Discussion ensued as to how the ambulance bills were paid and the billing process. Councilor Dolan suggested sending out RFP's for another firm to handle the ambulance billing. Chief MacCaffrie responded that has already been done. F. Heinrich said they have already reviewed the collection rate for Londonderry and they are in the process of comparing it with other towns. Councilor Dolan said we should consider a blind audit of Coastal, he said he does not feel we are getting our monies worth. Councilor Freda asked who collects for Derry; F. Heinrich responded he is meeting with them. D. O'Brien said our rates have not changed since 2010. Chairman Farrell asked how much have our costs gone up, Chief MacCaffrie responded about 10%. D. O'Brien stated we fall in the middle with all other towns. Councilor Dolan said our costs are \$320K. Chairman Farrell said we should be covering our costs. Chief MacCaffrie explained if we increase our costs you increase the amount of people who won't pay. Councilor Dolan said if our costs are going up each year we should increase the rates. Councilor Dolan suggested he track our costs going back to 09 and come back with the rates. He also suggested that the Chief come back to Council to discuss the findings. D. O'Brien explained they have a discussion on collections, if the bill is out at 120 days after that it goes to Finance. He suggested having a committee to look over the bills that claim hardship, if it can't be written off where do we want to go. He said they collect 30% – 50% from the collection agencies. Acting Town Manager/LPD Chief Hart was instructed to follow up on it.

Ordinance #2013-01 – An Amendment to the Zoning Ordinance Relating to Rezoning Map 6, Lots 37 & 38, Mohawk Drive – Councilor Dolan read the first reading, second reading scheduled for 3/4/13, **he made a motion to accept, second Councilor Freda. Councils vote 5-0-0.**

Order #2013-05 – Expenditure of Maintenance Trust Funds for Various Projects - Councilor Dolan read the Order and **made a motion to accept, second Councilor Freda. Councils vote 5-0-0.**

Resolution #2013-01 – A Resolution Relative to Re-Addressing Properties on Highlander Way - Councilor Dolan read the first reading, second reading on 3/4/13 and **made a motion to accept, second Councilor Butler. Councils vote 5-0-0.**

Order #2013-06 – A Resolution Relative to Suspending the Transportation Impact Fee Program for Rt. 28 and Rt. 102 – Councilor Dolan read the first reading and **made a motion to adopt, second Councilor Freda.** Councilor Green said the Planning Board asked how long the process will take to implement. Acting Town Manager, LPD Chief Hart said he doesn't know, the audit will give us guidance. **Councils vote 5-0-0.**

APPROVAL OF MINUTES

Council meeting minutes of 01/14/13 – Councilor Freda made a motion to approve, second Councilor Dolan. Council’s vote 5-0-0.

OTHER BUSINESS

Liaison Reports –

Town Manager Report – Acting Town Manager/LPD Chief Hart appointed Stacy Thrall as the Senior Affairs Coordinator and asked the Council for their approval. Open for discussion. Councilor Green thanked her for stepping up, he said she is a perfect pick for the position and he wished her luck. Councils vote 5-0-0.

Board/Committee Appointments/Reappointments – None

ADJOURNMENT

Councilor Dolan made a motion to adjourn at 9:54 PM, second Councilor Freda. Council’s vote 5-0-0.

Notes and Tapes by:	<u>Margo Lapietro</u>	Date: <u>02/11/13</u>
Minutes Typed by:	<u>Margo Lapietro</u>	Date: <u>02/20/13</u>
Approved by:	<u>Town Council</u>	Date: <u>03/04/13</u>